

**Contract By and Between Fringe Benefits Management
Company and the State of Wisconsin for the
Provision of Third-Party Employee Reimbursement Accounts
and Commuter Benefits Administration**

January 2006

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STATE OF WISCONSIN EMPLOYEE TRUST FUNDS BOARD

Employee Reimbursement Accounts Program

CONTRACT with Benefit Administrator

This **CONTRACT** is entered into by and between **FRINGE BENEFITS MANAGEMENT COMPANY** (hereinafter "FBMC"), of Tallahassee, Florida, and the **EMPLOYEE TRUST FUNDS BOARD** (hereinafter the "BOARD") acting on behalf of the State of Wisconsin.

RECITALS

WHEREAS, the Employee Trust Funds Board has selected Fringe Benefits Management Company to provide administrative services for the Employee Reimbursement Accounts Program (ERA), pursuant to Section 125 of the Internal Revenue Code, as amended, and for the COMMUTER BENEFITS Program, a qualified transportation benefits program pursuant to Section 132 of the Internal Revenue Code for the benefit of STATE employees; and

WHEREAS, the BOARD and FBMC wish to bind each other by written **CONTRACT** to provide the plan structure and services as set out in the BOARD's **Employee Reimbursement Accounts and COMMUTER BENEFITS Programs**; the **Administrative Services Contract Request for Proposals** issued February 1, 2005; and as set out in FBMC's **Proposal to the State of Wisconsin Employee Reimbursement Accounts Program and Qualified Transportation Benefit Program**, received by the state on March 11, 2005; and

WHEREAS, the BOARD and FBMC agree to incorporate the terms of the Business Associate Addendum executed between the PARTIES in April of 2004 into this agreement; and

WHEREAS, the BOARD and FBMC wish to clarify their respective rights and obligations with respect to the establishment and administration of the plan;

NOW, THEREFORE, regarding the foregoing recitations and the mutual promises contained in this **CONTRACT**, the BOARD and FBMC (PARTIES), intending to be legally bound, agree as follows:

ARTICLE I - DEFINITIONS

The following terms, when used and capitalized in this **CONTRACT** or any supplement, endorsements, or rider thereto, are defined as follows and limited to that meaning only:

- 1.1 "BOARD" means the Employee Trust Funds Board.
- 1.2 "COMMUTER BENEFITS" mean the qualified transportation benefit program.
- 1.3 "CONTRACT" means this Administrative Services Agreement including all Exhibits, Addenda, and Amendments between the BOARD and FBMC.
- 1.4 "DEPARTMENT" means the Department of Employee Trust Funds.
- 1.5 "FBMC" means Fringe Benefits Management Company.
- 1.6 "PARTIES" means the Employee Trust Funds Board and FBMC.
- 1.7 "PROPOSAL" means the proposal submitted by FBMC in response to the Employee Trust Funds Board Request for Proposals issued February 1, 2005.

- 1.8 "RFP" means the Request for Proposals issued March 10, 2005, distributed by the Employee Trust Funds Board to select a third-party plan administrator for the Employee Reimbursement Accounts and Qualified Transportation Benefit programs for the CONTRACT period beginning January 1, 2006.
- 1.9 "ERA" means the State of Wisconsin Employee Reimbursement Accounts program.
- 1.10 "STATE" means State of Wisconsin.

ARTICLE II- CONTRACT OFFERING

2.1 Contractor Appointed

The BOARD hereby appoints FBMC as the exclusive CONTRACT administrator of its Employee Reimbursement Account Program and COMMUTER BENEFITS Program, to continue for the term of this CONTRACT and any extensions to it.

ARTICLE III - CONTRACT DEFINITION

3.1 Execution of CONTRACT

This CONTRACT becomes binding upon the BOARD and FBMC when this document is reviewed or approved by the BOARD, pursuant to Wis. Stats. §.40.85(1) and (2)(b), and signed by authorized representatives for each party hereto. By their signature, each represents that they have proper and legal authority to sign and bind their principal and that each party has all required legal right and power to perform all acts called for by this CONTRACT in the State of Wisconsin and elsewhere.

3.2 Documents Constituting CONTRACT

In addition to this document, the CONTRACT between the PARTIES shall include the provisions of the RFP and its amendments and clarifications, and of the PROPOSAL and its addenda and amendments as specified in the Recitals of this document. All are incorporated herein by reference.

3.3 Order of Precedence

Any conflict, ambiguity, or inconsistency among these documents shall be resolved by applying the following descending order of precedence:

- A. Federal and State law;
- B. the CONTRACT document, all Addenda and any amendments;
- C. the RFP and any amendments.
- D. FBMC's PROPOSAL and any amendments;

A higher order document shall supersede a lower order document to the extent necessary to resolve any inconsistencies between them, but silence on any matter in a higher order document shall not negate or modify the provisions of a lower order document as to that matter.

To the greatest extent possible, the provisions of all three documents shall be read in a

manner as to comply with the applicable provisions of federal and Wisconsin state laws and any rules and regulations promulgated there under.

3.4 Consent

Whenever one party to this CONTRACT is called upon by the other, in accordance with the terms hereof, to give consent to some action or inaction by the other, such consent shall not be unreasonably withheld.

ARTICLE IV - CONTRACT TERM

4.1 Effective Date

The term of this CONTRACT shall be January 1, 2006 through December 31, 2008. By mutual agreement this CONTRACT may be extended for two one-year periods unless terminated in accordance with the terms and provisions as set forth in this CONTRACT.

4.2 Renewal

After the initial CONTRACT period, this CONTRACT shall be automatically extended for up to two successive one-year periods. The first extension period shall begin on January 1, 2009 and end on December 31, 2009; the second extension period shall begin on January 1, 2010 and end on December 31, 2010. The BOARD or FBMC must give written notice of CONTRACT termination to the other party by certified mail, return receipt requested, at least one hundred twenty (120) days prior to the termination date of the initial CONTRACT term or the then current term of this CONTRACT. Such notice shall clearly state such PARTIES intent that the CONTRACT not be automatically renewed. In the event that this CONTRACT is extended, all of the conditions and provisions of this CONTRACT shall remain in full force and effect during the extended term, unless otherwise amended, modified, or supplemented in writing by agreement of the PARTIES either prior to or at the time of the extensions.

ARTICLE V - CONTRACT MODIFICATIONS

5.1 Amendments

This CONTRACT can be modified or amended at any time by mutual consent of FBMC and the BOARD. All such amendments shall be in writing and shall become effective only when approved by appropriate authorities and subsequently executed by the PARTIES hereto unless another effective date is expressly agreed to between the PARTIES and stated in such modification or amendment.

5.2 Assignment/Subcontract

FBMC shall be considered a prime contractor, i.e., the sole point of contact with regard to all contractual matters, including the performance of services, the payment of any and all charges resulting from contractual obligations, and responsibility for any subcontractor performance should any be utilized by FBMC. All subcontractors shall abide by the terms and conditions of the CONTRACT, including but not limited to a subcontractor that may be selected for Commuter Benefits. If additional subcontractors are required during the CONTRACT, FBMC shall obtain written approval from the BOARD prior to the subcontractor's commencement of work. All subcontractors shall be agents of FBMC and shall hold the BOARD harmless hereunder for any loss or damage of any kind occasioned by the acts or omissions of FBMC's subcontractors, their agents or employees.

Notwithstanding the provisions of this section, FBMC may contract for incidental supplies or

equipment, such as the printing of materials and forms or the purchasing of data processing equipment. Such incidental purchases do not constitute "subcontracting" as contemplated above.

5.3 Waivers

No covenant, condition, duty, obligation, or undertaking contained in or made a part of this CONTRACT shall be waived except by the written agreement of both of the PARTIES. Forbearance or indulgence in any form or manner by either party in any regard whatsoever shall not constitute a waiver of the covenant, condition, duty, obligation, or undertaking to be kept, performed, or discharged by the other party. Notwithstanding any such forbearance or indulgence, until complete performance or satisfaction of all such covenants, conditions, duties, obligations and undertakings, the other party shall have the right to invoke any remedy available under the CONTRACT, or under law or equity.

5.4 Changes Required by Law or Court Order

During the term of this CONTRACT, changes required in the general scope of the plan or the services provided hereunder that are necessitated by amendments to any applicable federal law or regulations or state statute or administrative rule, or federal and state court cases, promulgated or decided subsequent to the effective date of this CONTRACT, shall be considered included in the cost of normal ongoing operations as determined by this CONTRACT. The BOARD shall consider additional payments to FBMC only for systems changes, added services, or reports outside the original PROPOSAL if FBMC can document that they substantially increase the cost of operations through added staff, overtime hours, and/or computer time used.

5.5 Renegotiation

Either party may request renegotiation and the other party shall, in good faith, renegotiate appropriate sections of the CONTRACT, in the event that applicable state or federal statutes or rules and regulations, or the ERA plan documents promulgated thereunder, are, subsequent to the effective date of this CONTRACT, amended or judicially interpreted so as to:

- A. render infeasible the fulfillment of the respective rights or obligations of either of the PARTIES under this CONTRACT;
- B. require FBMC to furnish a category, type, or amount of service not required by this CONTRACT;
- C. require the provisions of the CONTRACT to be modified in order to conform with state or federal law; or
- D. result in payments to FBMC being less than FBMC's costs in performing services under this CONTRACT.

In the event the BOARD is required to pay FBMC additional amounts as a result of such renegotiation, the BOARD may terminate this CONTRACT if the BOARD determines that it would be in the best interests of the PLAN to do so.

5.6 Change in Ownership

If FBMC experiences a change in ownership or enters bankruptcy proceedings during the term of the CONTRACT or any extension thereof, the BOARD must be notified of the event in writing at the time the event occurs or is identified. Willful failure to notify the BOARD shall constitute cause for canceling the CONTRACT. Failure to notify the BOARD of bankruptcy proceedings shall constitute cause for canceling the CONTRACT under section 6.4 of this CONTRACT.

5.7 Existing Guidelines

Except as provided in Sections 5.4 and 5.5, any references in this CONTRACT to state or federal statutes or the rules or regulations promulgated thereunder shall be deemed to be referring to such statutes, rules, or regulations as they exist as of the effective date of this CONTRACT.

5.8 Interpretation

This CONTRACT shall be interpreted under the laws of the state of Wisconsin.

5.9 Enforceability

If any provision of the CONTRACT is declared or found to be illegal, unenforceable, or void, then all PARTIES shall be relieved of all obligations under that provision. Performance under the remaining terms of the CONTRACT shall continue.

ARTICLE VI- CONTRACT DEFAULT AND TERMINATION

6.1 CONTRACT Termination

This CONTRACT between the PARTIES may be terminated as follows:

- A. by mutual written agreement of the PARTIES; or
- B. as detailed in the Default and Termination provisions of Section 6.2 through 6.8 below.

6.2 Termination for Malfeasance, Misfeasance, and Fraud

In addition to any other remedies in this CONTRACT, with thirty (30) day written notice and explanation to the other party, this CONTRACT may be terminated by either party for malfeasance, misfeasance, and/or fraud at any time with no penalty to the BOARD.

Termination for cause by the BOARD under such circumstances shall, in addition to any other rights the BOARD may have, impose an obligation upon FBMC to reimburse the BOARD's reasonable termination costs up to \$100,000 and fulfill its termination-related obligations including, but not limited to, delivery of documentation and related items. Termination costs exceeding \$100,000 must be mutually agreed upon prior to incurring.

6.3 Violation of Law

Notwithstanding any other provision of this CONTRACT, at its sole discretion, the BOARD may terminate this CONTRACT and FBMC's services, effective immediately and without advance notice, if at any time during the term of this CONTRACT FBMC admits or is found by the BOARD to be in violation of this CONTRACT or any federal or Wisconsin State law.

6.4 Adverse Financial Condition

If a petition, voluntary or involuntary, should be filed under the state or federal bankruptcy, insolvency, or other similar laws by or against FBMC or affiliate performing services in connection with this CONTRACT, the BOARD may at its sole option terminate this CONTRACT immediately and without any notice period and the BOARD may exercise all rights and remedies available to it.

6.5 Non-Performance

If the BOARD determines FBMC is not fulfilling its CONTRACT obligations and meeting performance standards as defined in this CONTRACT and as detailed in Exhibit A, Performance Standards and Guarantees, the BOARD shall submit a notice in writing to FBMC that the BOARD has made a tentative determination that such willful or reckless neglect has occurred and the specific basis for such tentative determination. The BOARD shall give FBMC at least ninety (90) days to respond to the determination in writing and allow FBMC to present its response at a hearing before the BOARD to be held within sixty (60) days of the date of the original notice. If FBMC fails to meet the contractual obligations noted by the BOARD within this ninety (90) day period, the BOARD may terminate this CONTRACT and avail itself of all rights and remedies available to it, including but not limited to imposing an obligation upon FBMC to reimburse the BOARD's reasonable termination costs, up to \$100,000 and fulfill its termination related obligations.

6.6 Breach for Failure to Furnish Sufficient Personnel

If FBMC fails to comply with any of the covenants and agreements contained in this CONTRACT regarding the furnishing of sufficient personnel to perform its duties as provided in the CONTRACT, then the BOARD shall give notice to FBMC specifying with particularity the nature of FBMC's default. If the specified default is not cured to the reasonable satisfaction of the BOARD within sixty (60) days following the date of the notice of default that is submitted to FBMC by the BOARD, then the BOARD may terminate this CONTRACT and avail itself of all rights and remedies available to it.

6.7 Additional Grounds for Termination and Right to Cure

If either party to this CONTRACT fails to perform any of the material services set forth in this CONTRACT, the party alleged to be in breach of this CONTRACT shall receive a written notice of the default from the other party. The party alleged to be in breach of this CONTRACT shall have ninety (90) calendar days from receipt of the written notice to cure the default specified in the notice. If the default specified in the notice cannot be reasonably cured within ninety (90) calendar days of receipt of the notice, the party alleged to be in breach of this CONTRACT, within that ninety (90) calendar day period, shall have the right to:

- A. Present a written plan to cure the default, for the other's party's approval, which approval shall not be unreasonably withheld, and thereafter.
- B. Commence curing the default; and
- C. Diligently pursue the cure of the default to completion.

If the breach specified in the notice is timely cured or a cure of the breach is commenced, with approval of the other party, and diligently pursued as provided herein, the notice shall be deemed rescinded and the CONTRACT shall continue in full force and effect. Notwithstanding the foregoing, if the breach specified in the notice is not cured to the satisfaction of the terminating party within one hundred and eighty (180) calendar days of the date the other party received the notice, the terminating party may terminate the CONTRACT on account of such breach effective upon the date of a new written notice of termination.

6.8 BOARD's Failure to Perform

Notwithstanding any other provision of this CONTRACT, FBMC shall not be deemed in default hereof where FBMC's action or inaction or failure to perform its obligations hereunder is a direct or

indirect result of the BOARD's failure to meet its obligations and duties under the terms of the CONTRACT.

ARTICLE VII- COMPENSATION OF PARTIES

7.1 Compensation of FBMC

In return for the provision of all services required under this CONTRACT and attendant documents, FBMC shall be paid for its administrative services (less any liquidated damages due the DEPARTMENT under other provisions of this CONTRACT and attendant documents), projected DEPARTMENT administrative costs and compensation as follows:

A. Fees

A. Annual Fee—ERA Program

FBMC shall be paid an annual fee or base fee, to be paid in 12 successive equal installments.

<u>Year</u>	<u>Annual Fee</u>
2006	\$199,500.18
2007	\$199,500.18
2008	\$199,500.18
2009*	\$199,500.18
2010*	\$199,500.18

*upon CONTRACT extension

B. Participation Fee—ERA Program

In addition to the base rate, FBMC shall also be paid a monthly fee per participant enrolled in the plan's medical expense or dependent care reimbursement accounts. This additional monthly fee per participant shall vary according to the following schedule:

<u>For each participant from:</u>	<u>Per month</u>
1 -8,000	\$1.65
8001-+	\$1.38

The per participant fees and monthly base rate as described in 7.1 A. shall be paid within 30 days of DEPARTMENT receipt of a detailed invoice for each month, beginning with January, 2006. The invoice shall show the base rate and total number of plan enrollees during the current month, the amount due broken into the above participant number categories, and the total amount due from the DEPARTMENT. It shall be due to the DEPARTMENT by the 15th of the month. For the purposes of determining the total number of plan enrollees, all enrollees of record on the fifth (5th) day of the month shall be included in the month's total.

C. Enrollment Fee—ERA Program

FBMC shall be paid an annual fee, to be paid in 2 equal installments each year, to be used exclusively for enrollment services as follows:

Annual

<u>Year</u>	<u>Fee</u>
Fall 2006	\$180,719.33
Fall 2007	\$180,719.33
Fall 2008	\$180,719.33
Fall 2009*	\$180,719.33
Fall 2010*	\$180,719.33

*upon CONTRACT extension

The first installment shall be payable six weeks prior to the beginning of the open enrollment period and the second shall be due to be paid within thirty (30) calendar days after the final fall enrollment files are received at the STATE's payroll processing centers. This payment shall not be due in any year in which FBMC shall not be required to provide fall enrollment services.

D. QTB Administration Services Compensation

1. FBMC shall be paid an annual QTB administrative fee of \$73,597 per year, to be paid in 12 successive equal installments of \$6,133.08 per month, as follows.

<u>Year</u>	<u>Annual Fee</u>	<u>QTB Monthly Installment</u>
2006	\$73,597	\$6,133.08
2007	\$73,597	\$6,133.08
2008	\$73,597	\$6,133.08
2009*	\$73,597	\$6,133.08
2010*	\$73,597	\$6,133.08

*upon CONTRACT extension

2. FBMC shall be paid a monthly fee per participant enrolled in the QTB. This additional monthly fee per participant shall vary according to the following schedule.

<u>For each participant from:</u>	<u>Fee per month</u>
1-2,000	\$1.30
2,001 +	\$1.00

E. Electronic Payment Card Fees

Fees for this program shall be determined between the PARTIES and added by CONTRACT amendment should the BOARD authorize use of an Electronic Payment Card as described in Exhibit B.

B. Special Charges

In the event that the BOARD or DEPARTMENT requires any special or ad hoc reports, processing, or other services not required of FBMC under the terms of this CONTRACT and its attendant documents, a mutually agreeable separate charge may be made by FBMC for such special reports or processing.

7.2 Compensation of DEPARTMENT

FBMC is hereby required to reimburse the DEPARTMENT for actual costs incurred in the development, implementation, and ongoing oversight of the ERA program according to mutually agreed upon procedures and time frames, provided that the costs to be reimbursed hereunder shall not exceed the projected administrative costs paid to FBMC under section 7.1 above.

7.3 Other Adjustments to Fees

FBMC shall be permitted to increase CONTRACT fees by a mutually agreed upon amount for any renewal year of the CONTRACT, if such increase is required to recover unforeseen costs of changes required by federal law, regulation, state statute or administrative rule, or federal or state court cases. Such fee increases must be invoiced as separate items and shall be permitted only for such time period as may be reasonably required to recover these unforeseen costs, after which such fees shall be returned to the level originally proposed.

ARTICLE VIII- RESPONSIBILITIES OF FBMC

The following description of the responsibilities of FBMC under this CONTRACT toward the BOARD and the BOARD's ERA and COMMUTER BENEFITS plans does not absolve FBMC of any other or any more specific requirements delineated in the attendant documents. Under the terms of this CONTRACT, FBMC shall:

8.1 Technical Assistance

- A. Provide appropriate personnel and expertise to assist the BOARD in preparing and updating as necessary written plan documents that meet all relevant federal and state regulatory or legal requirements to assure non-taxability of benefits to plan participants who adhere to the plan.
- B. Assist the BOARD in securing any required plan approvals from all state and federal agencies or, with the consent of the BOARD, provide opinions of legal counsel that the plans are in compliance with all applicable state or federal laws and regulations.
- C. Continuously monitor the controlling regulations and/or legislation and provide personnel and current expertise to assist participants in understanding the impact of prospective tax code changes on their plan elections and to assist the BOARD in making any necessary revisions in the plan to assure its continuing compliance.
- D. Provide sufficient and appropriate personnel and expertise to successfully carry out its overall proposed plan for the ongoing administration of the Wisconsin ERA plan and COMMUTER BENEFITS program.
- E. FBMC and the BOARD agree to have specific staff assigned to act as contract administrators at all times. The DEPARTMENT shall identify a staff person to act as the BOARD's contract administrator. The contract administrators shall handle the day-to-day delivery of services, be the first contact regarding any proposals or questions, and ensure that problems and conflicts are resolved fairly and promptly.
- F. The BOARD reserves the right to disapprove the use of any representatives or employees of FBMC who are performing services under this CONTRACT, provided that no such disapproval may be based on age, race religion, creed, color, handicap, physical condition, developmental disability as defined in Section 51.01(5) Wis. Stats; marital status, sex, sexual orientation, national origin, ancestry, arrest record, conviction record; or membership in the national guard, state defense force, or any reserve component of the military forces of the United States or this STATE.

8.2 Marketing, Communication and Enrollment

- A. For each plan year and subject to final DEPARTMENT approval, design, produce, and distribute as mutually deemed appropriate all necessary forms, printed or video materials, and/or other marketing and enrollment tools to be used in the marketing and ongoing

administration of the ERA and the COMMUTER BENEFITS plans. All such materials developed specifically for Wisconsin shall be at all times the property of the DEPARTMENT, and FBMC shall retain no proprietary or literary rights with respect to them and shall execute any assignment found necessary to release any proprietary rights. FBMC shall provide all materials in timely fashion and in sufficient quantities to promote and to operate the ERA and COMMUTER BENEFITS programs.

B. Institute during the ninety days preceding plan enrollment periods an aggressive, multilevel information and marketing campaign that includes, but is not limited to, use of:

- newsletters
- posters
- announcements
- email
- hotline
- brochures

C. Develop ERA plan materials that

1. focus on the tax advantage of Wisconsin's Employee Reimbursement Accounts;
2. emphasize that the higher the amount of known, predictable expenses, the more attractive the appropriate Employee Reimbursement Accounts should be;
3. clearly discuss and clarify through charts and examples the general impact of any individual social security benefits reduction due to plan participation;
4. clearly explain that there is no impact from plan participation on an employee's anticipated level of STATE retirement benefits, with the exception of social security-integrated annuity options;
5. clearly explain the premium conversion portion of the ERA plan and provide specific information on how an employee can waive conversion if desired;
6. clearly discuss and clarify through charts and examples the issue of whether it is more advantageous to take dependent care expenses as a credit on an IRS Form 1040 or to participate in a dependent care Employee Reimbursement Account;
7. clearly discuss the forfeiture requirements of Employee Reimbursement Accounts;
8. use hypothetical examples to show how employees in different kinds of situations might make decisions about how much to set aside for each kind of Employee Reimbursement Account;
9. describe the Direct Deposit option of the ERA plan;
10. describe the electronic payment option of the ERA plan (when such option is implemented); and
11. describe Grace Period and Run-out Period.

D. Develop COMMUTER BENEFITS plan materials that include complete program and enrollment information for participants.

E. Schedule informational/trouble-shooting meetings as the DEPARTMENT reasonably deems

necessary during the plan year.

- F. Maintain an office in the Madison, Wisconsin area in order to fulfill its administrative and service responsibilities; to provide ongoing information for participants, newly-eligible employees; and provide assistance to STATE agencies. In addition, FBMC shall maintain a toll-free telephone number for individual counseling of STATE employees that meets the performance standards and guarantees set forth in Exhibit A, Monday through Friday, except for legal holidays, from 7:00 a.m. until 9:00 p.m. (Central Time).

FBMC may, however, close on a Monday or Friday where a legal holiday falls on the Tuesday following the Monday or on the Thursday preceding the Friday. Such closings, however, shall not exceed three days per calendar year.

- G. Schedule and conduct enrollment, education and orientation meetings for STATE employees throughout the STATE and participate in benefits fairs;
- H. Design, print and distribute the presentation schedule to STATE agencies;
- I. Supervise enrollment activity;
- J. Provide representative training and all training materials;
- K. Effectuate all travel arrangements and provide all travel expenses for all enrollment activities for FBMC personnel;
- L. Provide enrollment status reports and a written evaluation for the ERA enrollment at the conclusion of the enrollment.

8.3 Plan Administration

A. General

- 1. Maintain a complete, up-to-date data processing system with enough capacity to accomplish all plan requirements in a timely fashion.
- 2. Provide an opportunity for DEPARTMENT review and approval of all system components and of any system test results done prior to initial operations and after any major system changes or enhancements.
- 3. Maintain complete, up-to-date documentation on all programs supporting the ERA and COMMUTER BENEFITS plans.
- 4. Schedule briefing sessions with the DEPARTMENT's contract administrator as reasonably required.
- 5. Submit written progress reports to the DEPARTMENT's contract administrator as reasonably required by the DEPARTMENT.
- 6. Attend special meetings with DEPARTMENT representatives as reasonably required.
- 7. Provide the DEPARTMENT with written minutes of all meetings with DEPARTMENT representatives within ten days of such meetings.
- 8. FBMC acknowledges that some of the data it may become privy to in the performance of the CONTRACT is of a confidential nature and FBMC shall make all reasonable efforts to

ensure that no such confidential information is disseminated by it or its employees.

FBMC shall observe complete confidentiality with respect to all aspects of any confidential information, proprietary data and/or trade secrets and any parts thereof, whether such contents are the STATE's or other manufacturers, vendor's or distributor's whereby FBMC or any FBMC's personnel may gain access while engaged by the BOARD or while on STATE premises. The restrictions herein shall survive the termination of the CONTRACT for any reason and shall continue in full force and effect and shall be binding upon the FBMC or its agents, employees, successors, assigns, subcontractors, or any party claiming an interest in the CONTRACT on behalf of or under the rights of the FBMC following any termination. FBMC shall advise all FBMC's agents, employees, successors, assigns and subcontractors that are engaged by the BOARD of the restrictions, present and continuing, set forth herein. FBMC shall defend and incur all costs, if any, for actions which arise as a result of noncompliance by the FBMC, his agents, employees, successors, assigns and subcontractors regarding the restrictions herein.

B. Enrollment System

1. Provide Internet & Telephone enrollment services for the annual ERA enrollment that includes:
 - a) internet enrollment application that allows State of Wisconsin employees select medical and/or dependent flexible spending account elections,
 - b) telephone system that integrates with the internet system to allow State of Wisconsin employees to select medical and/or dependent FSA elections,
 - c) ability to make changes during open enrollment period, and
 - d) a confirmation number to employee at the conclusion of enrollment election session.
2. Prior to the ERA enrollment period, devise an approved multi-part, binding enrollment form that shall specify at least, though not limited to, the following information:
 - a) the Employee Reimbursement Account or Employee Reimbursement Accounts chosen,
 - b) the amount of the salary reduction per year and per regular pay check to be deposited in the separate account(s).
 - c) that the funds in one account cannot be used to reimburse expenses covered by another account, or as otherwise required by Federal law or regulations,
 - d) that, in the case of the dependent care reimbursement accounts, claims can only be paid to the limit of the balance in the account, or as otherwise required by Federal law or regulations,
 - e) that any funds remaining in an account at the close of the run-out period following the plan year are forfeited,
 - f) that the funds in the account can only be paid out to reimburse payment of expenses actually incurred during the plan year or grace period, if adopted.
3. Within a mutually agreed upon time period subsequent to the annual open enrollment period, send one copy of each signed enrollment form to the appropriate STATE payroll

office for its files; throughout the year for new hires or changes, promptly enter the information from the enrollment form into its data processing system.

4. Conduct sufficient edit checks to confirm eligibility, proper employee identification number, and all other demographic information from the client and assure that reduction amounts selected are within the ERA plan limits.

(Once the required edits have been mutually agreed upon, FBMC shall not change them nor apply any overrides without written permission from the DEPARTMENT.)

5. Provide enrollment services for Commuter Benefits that permit elections and elections changes in accordance with plan provisions and IRS requirements as may be changed from time to time.
6. If an electronic payment card option is authorized by the BOARD, provide each participant with an electronic payment card for reimbursement of eligible medical, dependent care, or transportation expenses as applicable.
7. Within a mutually agreed upon time frame, produce electronic files and/or paper input in the format required by the separate STATE payroll systems to be entered into either the STATE's automated or manual payroll systems to direct the salary reductions selected by employees.
8. Resolve within three (3) business days any errors discovered either by its own edits or by any edits the STATE's various payroll offices may perform unless circumstances merit additional time as agreed to by the Department.
9. Process within three (3) business days any changes, additions, or deletions to the information on the enrollment forms in a similar manner, whether secured during the plan year or as a result of subsequent re-enrollment/enrollment periods unless circumstances merit additional time as agreed to by the DEPARTMENT.
10. Process participant contributions within three (3) business days of receipt of all required data and funding from State payroll centers and make those contributions immediately available for reimbursement to each participant in accordance with plan rules and IRS requirements.
11. Provide a discrepancy report to each payroll center within ten (10) days of posting data to customer accounts.
12. Provide updates to approved payroll or other manuals detailing any responsibilities of the STATE's payroll or other staff in whatever form required by the separate systems.

C. Reimbursement and Accounting System

1. Maintain a system platform capable of processing and administering all types of tax-favored accounts as may be adopted by the State from time to time, including: Section 132 Commuter Benefits, Section 129 DCAP Benefits, and Section 105 Health Flexible Spending Arrangement benefits.
2. Develop in a timely fashion any necessary forms and reports pursuant to the establishment of an electronic payment system, if approved by the BOARD.
3. Secure DEPARTMENT approval of all report formats prior to finalization, and submit report test run results as reasonably required by the DEPARTMENT.

4. In the event that an electronic card system is authorized, assume sole responsibility for receiving and verifying electronic and paper reimbursement claims, for resolving any discrepancies with the card processor, and for disbursing benefit payments in accordance with the following procedures:
 - a) valid reimbursement shall be paid by authorizing an electronic card transaction at point of sale, or mailing a check directly to the participant, and
 - b) card transactions deemed ineligible shall be substantiated with valid paper transactions; or
 - c) card transactions deemed ineligible shall be deducted through the Participant's payroll system or reported as taxable income.
5. In the event that an electronic card system is authorized by the BOARD, reasonably insure compliance with proper use of the electronic payment system and take whatever action is necessary to investigate and resolve ineligible or outstanding electronic transactions.
6. Assure that 100% of claims that are able to be processed by FBMC are processed within five (5) business days after submission of properly-executed forms and electronic data files, if applicable. For purposes of this paragraph, processing shall include payment of paper claims, if funds are available.
7. In the case of the dependent care reimbursement accounts, if a claim is submitted for an amount larger than an account balance, the amount in the account shall be paid immediately and the remainder of the claim shall be paid within five (5) days of the date additional funds are deposited in the account, or as otherwise required by Federal law or regulations.
8. Continue approved void, stop-pay, and stale-date check procedures that recognize that Wisconsin law does not allow the voiding of outstanding checks due to length of time held.
9. Continue approved late-filing procedure to accept claims filed after the close of the run-out period if the late filing was due to no fault of the participant (e.g., waiting for documentation from insurance companies).
10. Provide a daily check register to trigger the release of sufficient funds from the DEPARTMENT's bank account to FBMC's to cover the issuance of reimbursement checks, direct deposit remittances, and/or payment of electronic card transactions.
11. Within 30 days after receipt of the statement from the bank, provide a monthly reconciliation of the STATE's bank account with FBMC's accounting records.
12. Continue to provide the DEPARTMENT with access to FBMC's system to be able to access State of Wisconsin employee records processing system. The DEPARTMENT warrants it shall access and use employee records in compliance with federal or STATE privacy and confidentiality laws, and as stated in the Business Associate Agreement, attached as an Addendum.

D. Recordkeeping and Reporting System

1. With respect to participants with ERA and Commuter Benefits
 - a) Provide reimbursement check stubs that show an ongoing summary of each of

the participant's account balances.

- b) Respond within five (5) business days of receipt of each claim with a remittance advice that contains a clear "Explanation of Reimbursement" statement showing the reasons for any claim rejections or for any differences between the amount of the claims submitted and the amount of the reimbursement check.
- c) Provide each participant with a direct deposit option which allows participant reimbursement funds to be automatically deposited into the participant's designated checking or savings account.

2. With respect to participants with ERA Benefits

- a) Within fifteen calendar days after the end of each quarter, provide each participant with a quarterly transactional summary of each Employee Reimbursement Account, in a format previously approved by the DEPARTMENT. Upon the adoption of an electronic payment system, provide instead a Monthly Statement to each participant in FBMC's standard format.
- b) Provide each participant a 3rd Quarter Statement reminder of the account balance and that it shall be forfeited if not used in accordance with IRS rules.
- c) At the conclusion of the plan year, provide each participant a 4th Quarter Statement reminder of the account balance, as well as clarification of the run-out period for the submission of claims for payment of expenses incurred during the preceding plan year or the grace period, if adopted. This statement shall remind employees that during the run-out period, claims in any amount can be submitted for reimbursement.
- d) Provide each participant with an enrollment verification statement, prior to the start of the payroll reduction cycle for each plan year, summarizing the election to participate, the amount of salary reduction elected, and the amount to be contributed to each Employee Reimbursement Account selected, both annually and per paycheck.
- e) Send each participant, in a timely manner, any informational or other forms required by the IRS, or provide information to allow the DEPARTMENT to do so.

3. With respect to the DEPARTMENT

- a) Provide an **Annual Report of Account Activity** as defined in the RFP by June 30 of each year for the previous year, as well as certain monthly reports defined in more detail in 3b below. For the purposes of the reports required under this section and elsewhere in this CONTRACT and its attendant documents, unless otherwise specified in Exhibit A:
 - 1. monthly reports shall be due within 15 days of the close of the month;
 - 2. quarterly reports shall be due within 30 days of the close of the quarter; and
 - 3. annual or yearly reports shall be due as required by federal or STATE law or regulations or as mutually agreed upon.
- b) Establish a recordkeeping and reporting system that shall provide as required, at

least, but not limited to, the following data:

1. **Monthly Disposition Report** showing the number of claims received and processed, or partially processed; claims pending, claims rejected, keyed by reason code, and the number of claims paid from date of receipt in:

0-5 days
6-10 days
10+ days

2. **Annual Reimbursement Expense Purpose Report** that contains a summary of the types of medical expenditures that were reimbursed through ERA, totaled by areas of expenditure, including, but not limited to, insurance co-pays and deductible, if known, dental related, eye-care related, prescription costs, and other medically related reimbursements;
3. **Estimated Tax Savings Report** for the State of Wisconsin and Participants;
4. **Annual Reimbursement Account Distribution Range Report** identifying the ranges that contributions fall into for medical expense and dependent care accounts per STATE aggregate, using the following ranges:

<u>Medical</u>	<u>Dependent Care</u>
Below 501	Below 501
501 -1000	501 -1000
1001-2000	2001-3000
3001-4000	4001-5000
5001-6000	6001-7000
7001-7500	

5. **Report of Customer Service Activity;**
6. **Payback Summary Report** showing ineligible and unresolved electronic payment card transactions that must be deducted from payroll or converted to taxable income. (Timeframes to be determined between the PARTIES if/when the electronic payment card option is adopted.
7. **Year to Date Forfeiture/Actual for Prior Year Report**
8. **Annual ERA Benefit Participation Statistics Report** showing plan participants by STATE aggregate and by department campus, expressed in number and percentage of total eligible.
9. **Annual Participant Satisfaction Survey** including summary of results; and
10. Annual Report of Plan Year Performance Standards and Guarantees Results.

4. With respect to the IRS

Assist in collecting, preparing, and filing any statistical or other program data or IRS forms that may be required to demonstrate plan compliance relative to the requirements of the Internal Revenue Code; provided that the DEPARTMENT has provided FBMC with such necessary additional data as does not appear on the standard payroll file, in such file format as is consistent with the format utilized by FBMC with its other clients.

8.4 System Security and Emergency Procedures

FBMC shall provide security and emergency protection for all data, records, forms, and data processing operations devoted in whole or in part to the ERA and COMMUTER BENEFITS plans. Pursuant to this requirement, FBMC shall:

A. With respect to security protection

1. Secure all Wisconsin ERA and COMMUTER BENEFITS plan data from intentional sabotage, manipulation, theft, or breach of confidentiality in accordance with the final HIPAA Security Act as may be amended from time to time.
2. Secure all data in Wisconsin accounts so it cannot be accessed by other clients of FBMC or of its parent or of its sister corporation.
3. Control all data received through use of control numbers or another appropriate system.
4. Separate personnel duties so that no single person has complete control over check issuance, accounting transactions, program changes, and data entry.
5. Prior to their exposure to Wisconsin plan data, inform all personnel of the confidentiality of the data and the penalties involved in breaching confidentiality and require that each person sign a statement that they understand the requirements of confidentiality. Such statements shall be kept on file by FBMC and shall be subject to audit.
6. Audit systems on a mutually agreeable time frame using a program developed to check systems for computer fraud or tampering. Audit reports can be made available to the DEPARTMENT within forty-five (45) days of their completion upon request.
7. Audit the physical security of the facility on a periodic basis to be mutually agreed upon.
8. Maintain sign-out procedures and dual locks requiring separated keys to get access to blank check stock and signature blocks.
9. Maintain system recovery and restart procedures.

B. With respect to emergency protection

1. Establish and maintain a disaster recovery plan and initiate the plan to enable critical business functions and I.T. applications of the company to be restored, possibly in a degraded mode, within 36 hours of the invocation of the plan.
2. Insure complete, accurate, and up-to-date documentation of all systems and procedures used to operate the ERA and COMMUTER BENEFITS programs. This documentation shall include a back-up copy stored off premises.

3. Back-up all files daily for changes.
4. Insure programs and operational procedures are duplicated with a copy stored off premise.
5. Store a supply of all forms, including checks, in a separate location so that they are available until a new supply can be printed.
6. Provide emergency procedure training for all new personnel and refresher training at least annually for all other personnel.
7. Provide procedures for designating back-up personnel to operate the system in the event of a disaster.

8.5 Grievance Procedure

Continue the DEPARTMENT approved grievance procedure, with mutually agreed upon time frames, for participants whose claims are denied, in whole or in part; or not processed in timely fashion; or whose accounts are misstated; or whose reimbursement checks may be delayed or incorrect; or whose enrollment was denied, or whose Change in Status request was denied, or who may have other grievances against FBMC. This procedure shall include appeal of FBMC decisions to the DEPARTMENT for resolution under the DEPARTMENT's administrative appeal procedures, and FBMC shall in its grievance decisions provide written notice to participants of their right to administrative appeal to the DEPARTMENT.

8.6 Turnover Plan

In order to be prepared for the cessation of FBMC's services under this CONTRACT, for whatever reason, FBMC shall:

- A. Maintain plan for complete turnover of the ERA and/or COMMUTER BENEFITS operations to the DEPARTMENT or a successor contractor.
- B. Review annually, and update if necessary, such plan during the term of the CONTRACT and resubmit it for DEPARTMENT approval.
- C. Help tailor such plan to the requirements of a successor contractor should one be selected.
- D. Provide the DEPARTMENT with any required technical assistance and advice during a turnover period.
- E. Cooperate fully according to the turnover plan with the DEPARTMENT and any successor contractor during a turnover period.
- F. Provide the updated turnover plan with any notice to the BOARD of FBMC's intention to terminate its CONTRACT.
- G. Provide the updated turnover plan to the DEPARTMENT within 30 days of the receipt of any notice from the BOARD of the BOARD's intention to terminate the CONTRACT.
- H. Submit as part of the turnover plan, a training plan for DEPARTMENT or successor contractor staff.
- I. Provide routine inventory management during turnover to avoid any shortages of plan

supplies.

- J. Attend weekly or other meetings during a turnover period, as required by the DEPARTMENT, with DEPARTMENT representatives or designees.

8.7 Evaluation

Pursuant to this section, FBMC shall:

- A. Within 90 days after the effective date of this CONTRACT, establish an approved evaluation system that encourages plan participants to express, on an ongoing basis, their level of satisfaction with plan services and personnel.
- B. Not later than 90 days before the end of each plan year, survey a statistically valid random sample of plan participants as to their level of satisfaction with plan services and personnel, and report the results to the DEPARTMENT within 45 days of the survey.

ARTICLE IX - RESPONSIBILITIES OF THE DEPARTMENT OF EMPLOYEE TRUST FUNDS

9.1 Program Policy Determination/Changes

The DEPARTMENT shall determine all program policy and approve all operating procedures. In the event that FBMC requests, in writing, that the DEPARTMENT issue program policy determinations or operating guidelines required for proper performance of the CONTRACT, the DEPARTMENT shall acknowledge receipt of the request in writing and respond to the request within a mutually agreed upon time frame,

Likewise, if any changes are required in the Wisconsin ERA or COMMUTER BENEFITS administrative and/or operative systems (other than those to the data processing operation systems such as hardware and software upgrades that do not alter the processing or communication links), they must be approved by the DEPARTMENT in writing before they are implemented.

9.2 Maintain Written Plan Document

With the assistance of the DEPARTMENT, FBMC shall write and keep on file the current plan document, rewrite or revise it promptly as necessary in response to changes in the controlling legislation and regulations, and distribute it as may be required.

9.3 Communication

The DEPARTMENT shall:

- A. Assist FBMC, as much as possible, in communicating the provisions of the ERA and COMMUTER BENEFITS plans to all eligible STATE employees, and in scheduling enrollment sessions, and in promotional material distribution.
- B. Subject to applicable STATE law, make good faith efforts to provide such records or information requested by FBMC that are necessary to the implementation and/or administration of the ERA and COMMUTER BENEFITS plans, including the implementation of an electronic payment system for reimbursement.
- C. Meet as often as required elsewhere in this CONTRACT or its attendant documents with FBMC personnel to facilitate implementation activities and monitor operation schedules and materials.

9.4 Approval of Plan Materials

The DEPARTMENT shall:

- A. Retain final editorial control over all aspects of the ERA and COMMUTER BENEFITS plans, including final determination of the completeness and tone of the Wisconsin marketing and enrollment efforts of FBMC. Pursuant to this, the DEPARTMENT shall provide review and approval, within 10 days of submission or as soon thereafter as possible, of all print and/or other materials used in the marketing and enrollment campaigns.
- B. Provide within 10 days of submission or as soon thereafter as possible, review and approval of all other deliverables required under the terms of this CONTRACT and its attendant documents.

9.5 Administration

The DEPARTMENT shall:

- A. Make available, if possible, in a mutually agreed upon time frame, any records or information needed by FBMC to:
 - 1. understand the data requirements of the various STATE payroll systems,
 - 2. perform necessary data edits,
 - 3. electronically adjudicate known medical plan(s) co-pay and deductible amounts, and
 - 4. provide a system for processing changes, additions, or deletions in enrollment forms.
- B. Coordinate procedures with the STATE agency payroll processing centers to:
 - 1. Accept and input enrollment and reduction authorization data via electronic media and/or paper as required by its automated or its non-automated payroll systems.
 - 2. Perform edits on the data to insure that it is accurate before it is accepted on an employee's payroll record for reductions.
 - 3. Set up a system to deduct the designated amounts from each check and to deposit the reduction amount in a STATE holding account.
 - 4. Accept changes, additions, and deletions for the ERA deductions from FBMC.
 - 5. Keep an electronic file subsequent to annual open enrollment, and paper files of enrollment forms furnished by FBMC throughout the year.
 - 6. Comply with all IRS requirements related to the adoption of an electronic payment system, including but not limited to, recovering ineligible reimbursements from participant paychecks or by converting such payments to bad debt and recharacterizing same as taxable income.
- C. Make sufficient funds available in the form of a Maintenance Deposit to facilitate the use of an electronic payment system, in the event that an electronic card option is authorized.
- D. Within 24 working hours of receiving a FAX of a reimbursement account invoice, release to FBMC's account a sum sufficient to cover an issuance of reimbursement checks and direct

deposit payments. FBMC shall also mail the original of the invoice and the supporting check register to the DEPARTMENT.

- E. Accept or reject within 90 days of submission any independent auditor suggested by FBMC to audit its reimbursement claims and accounting systems.
- F. In the event of turnover, consider purchasing surplus forms and supplies in FBMC's inventory at an agreed-upon price not to exceed FBMC's acquisition cost, if in the DEPARTMENT's sole determination such materials shall be of use in the continuing program.

9.6 Grievance Resolution

Under the provisions of Wis. Stats, 40 and 227, the DEPARTMENT shall make determinations of appeals of FBMC's decisions made under the grievance procedure provided in section 8.5 above.

9.7 CONTRACT Monitoring and Assessment

The DEPARTMENT shall:

- A. Monitor contractor compliance with all the terms and conditions of the written CONTRACT between the BOARD and FBMC.
- B. Assess FBMC performance, especially in light of data trend analysis.
- C. Review all reports required under this CONTRACT and its attendant documents.

ARTICLE X - AUDIT PROVISIONS

10.1 Maintenance of Accounting Procedures

For the purpose of audit and examination, all books, documents, papers, and records shall be maintained for a period of three years from the termination of this CONTRACT. Should this CONTRACT be extended, all such materials pertaining to the extension period shall be maintained for three years after its end.

All funds under this CONTRACT shall be fully accounted for separately and independently of any other funds controlled by FBMC. FBMC shall not commingle funds managed under this CONTRACT with any other funds, either those funds belonging to FBMC or their other clients. FBMC shall establish and maintain separate ledgers and checking accounts for the revenues from this CONTRACT, wherein funds shall be clearly identifiable.

10.2 The DEPARTMENT will be furnished with an annual copy of the report from an annual Statement of Auditing Standards (SAS) 70 Audit.

10.3 Financial Audit Required

FBMC shall furnish the DEPARTMENT an annual audited financial statement audited by an independent Certified Public Accountant which discloses assets, liabilities, analysis of cash receipt and disbursements and other relevant data as may be reasonable requested by the DEPARTMENT. Information must be supplied to satisfy all Government Accounting Standards BOARD (GASB) reporting requirements.

10.4 Compliance Audit Required

FBMC shall make available all books, records, ledgers and journals relating to the Program for

inspection and audit by the DEPARTMENT's Internal Audit staff, State of Wisconsin Legislative Audit Bureau, or designated agents, attorneys and accountants, at any time during normal working hours. Records requested shall be provided to the DEPARTMENT on electronic media in an acceptable format within 30 days from receipt of request.

FBMC further agrees that the DEPARTMENT may schedule and arrange for an independent auditor to assist the DEPARTMENT's Internal Audit staff with compliance audits of FBMC's program administration, claims processing system, and accounting system as they apply to Wisconsin's ERA and COMMUTER BENEFITS program and accounts. The DEPARTMENT shall select the auditor and establish the scope of the audit and the audit program. FBMC shall have no authority over the selected auditor or the audit scope. The audit report shall be addressed to the BOARD and the Secretary of the DEPARTMENT. FBMC shall make payment for such audit, which shall be reimbursed to FBMC on a cost basis.

ARTICLE XI- PERFORMANCE STANDARDS/LIQUIDATED DAMAGES

- 11.1 All standards of performance and accompanying penalties shall be set forth within the Performance Standards and Guarantees Document attached hereto and made a part hereof as Exhibit A.

ARTICLE XII - MISCELLANEOUS PROVISIONS

- 12.1 Standard Terms and Conditions

Unless otherwise stated elsewhere in this or subsequent documents, FBMC will comply with the STATE's Standard Terms and Conditions: DOA – 3054 (R10/2005); and the Supplement to Standard Terms and Conditions: DOA – 3681 (R09/2004), both of which are attached as Exhibits to this CONTRACT.

- 12.2 Affirmative Action Plan Required

The approved affirmative action plan shall remain on file with the DEPARTMENT, and FBMC shall amend and/or update the plan from time to time upon the DEPARTMENT's request.

- 12.3 Americans with Disabilities Act (ADA)

As an employer and service provider, FBMC shall comply with all applicable requirements and provisions of the Americans with Disabilities Act (ADA) of 1990. Evidence of compliance with ADA shall be made available to the DEPARTMENT upon request.

- 12.4 Family Medical Leave Act

As an employer and service provider, FBMC shall comply with all applicable requirements and provisions of the Family Medical Leave Act of 1993. Evidence of compliance with FMLA shall be made available to the DEPARTMENT upon request.

- 12.5 Rights of Ownership

All materials, records, documents, accounting records, computer tapes, or discs which are specifically purchased or developed for purposes specific to accounts of the BOARD and maintained by FBMC shall at all times remain the property of the STATE and the STATE shall, at all times, have access to the records.

12.6 Confidentiality of Information

All information obtained by FBMC from any individual STATE employee, whether the employee becomes a participant or not, shall be kept in absolute confidence and shall not be utilized by FBMC for any purpose other than program administration.

12.7 FBMC shall fully cooperate with any other contractor the BOARD or DEPARTMENT may engage to perform additional work under the CONTRACT. FBMC shall not commit any act that interferes with the performance of work by any other contractor or by the BOARD or the DEPARTMENT. FBMC shall cooperate with the BOARD, the DEPARTMENT and any other STATE agency working with the DEPARTMENT, hardware manufacture representatives, system software suppliers, and communications systems suppliers in designing, programming, and testing any software being developed.

12.8 Recovery of Overpayments

A. Any overpayment caused by FBMC's error shall be the responsibility of FBMC, not to be charged to the DEPARTMENT, regardless of whether or not any such overpayment can be recovered by FBMC. The DEPARTMENT shall provide reasonable cooperation to FBMC in its recovery efforts.

An overpayment which results from fraud by an employee of FBMC shall be considered for purposes of this section as an overpayment caused by FBMC's error.

B. The DEPARTMENT shall not hold FBMC responsible for any overpayments caused by DEPARTMENT or EMPLOYER errors or fraud by a person other than an employee of FBMC.

FBMC shall assist the DEPARTMENT in identifying overpayments caused by such error or fraud, or as a result of ineligible and outstanding electronic payment transactions and will make reasonable efforts to recover these overpayments; including but not limited to:

1. substituting other claims incurred by the participant; and
2. offsetting future reimbursements to the participant.

C. Except for overpayments which are the responsibility of FBMC, the BOARD shall comply with the IRS requirements set forth in Revenue Ruling 2003-43 and to the extent permitted by law shall deduct payments in error from participant paychecks and/or will convert to taxable income.

In addition the BOARD reserves the sole right to institute litigation for the purpose of recovering any overpayment. The BOARD reserves the right to join in any litigation instituted by FBMC for the purpose of recovering any overpayment which is the responsibility of FBMC.

D. FBMC shall be given full credit for all refunds that result from recovery of any overpayment to the extent that FBMC is held financially responsible for such overpayment within this CONTRACT.

E. Any disputes as to the responsibility or fault for overpayments shall be determined in accordance with the provisions regarding mediation set forth in the Performance Standards and Guarantees document attached hereto and made a part hereof

12.9 Form of Notices

A. Any notice required or permitted to be given to a party to the CONTRACT shall be in writing, and addressed as follows:

1. **To the BOARD or DEPARTMENT:**
Eric Stanchfield, Secretary
Department of Employee Trust Funds
Post Office Box 7931
Madison, Wisconsin 53707-7931

With a copy to:
Marcia Blumer, Program Manager
Employee Reimbursement Accounts Program
Division of Insurance
Post Office Box 7931
Madison, Wisconsin 53707-7931

2. **To the Contractor:**
Patricia K. Neely, Senior Vice President
Chief Compliance Officer
Fringe Benefits Management Company
Post Office Box 1878
Tallahassee, FL 32302-1878

12.10 Mediation

If the parties are unable to amicably resolve amongst themselves any claims or disputes relating to their rights and responsibilities under the terms of this contract, then such disputes shall be first referred to mediation, in accordance with the commercial mediation rules of the American Arbitration Association or any successor body thereto.

IN WITNESS WHEREOF, the parties cause this contract to be executed by their duly authorized representatives as of the day and year set forth.

FRINGE BENEFITS MANAGEMENT COMPANY

Patricia K. Neely
Senior Vice President

Date: _____, 2006

STATE OF WISCONSIN

Marilyn Wigdahl, Chair
Employee Trust Funds Board

Date: _____, 2006

EXHIBIT A - PERFORMANCE STANDARDS AND GUARANTEES

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A. STANDARDS AND PRACTICES

A.1 PERFORMANCE STANDARD 1: Provide the Client with applicable 129 and 105 Plan Documents complying with the Client's expressed needs and applicable Law.

PERFORMANCE GUARANTEE 1: *FBMC will provide the Plan Documents prior to the Plan Effective Date.*

PENALTY 1: FBMC will incur a penalty of Five thousand dollars (\$ 5,000) for failure to meet this Guarantee.

FUNCTIONAL TEAM ASSIGNED: Standards and Practices

A.2 PERFORMANCE STANDARD 2: Provide the Client with applicable 132 Plan Document complying with the Client's expressed needs and applicable Law.

PERFORMANCE GUARANTEE 2: *FBMC will provide the Plan Document by the date agreed upon with the State of Wisconsin.*

PENALTY 2: FBMC will incur a penalty of One thousand dollars (\$ 1,000) for failure to meet this Guarantee.

FUNCTIONAL TEAM ASSIGNED: Standards and Practices

A.3 PERFORMANCE STANDARD 3: FBMC will provide accurate claims adjudication services to the State of Wisconsin.

PERFORMANCE GUARANTEE 3: *98 % of all Tax Favored Account claims will be paid with no financial errors, as measured through the FBMC monthly audit process performed by Standards & Practices.*

PENALTY 3: FBMC will incur a penalty of One hundred dollars (\$100.00) for each claim processed erroneously above the 98% within the selected audit group.

FUNCTIONAL TEAM ASSIGNED: Standards and Practices

B. CLIENT SERVICES

B.1 PERFORMANCE STANDARD 1: Plan and conduct a quality annual ERA enrollment, which meets the State of Wisconsin's needs.

PERFORMANCE GUARANTEE 1: *Conduct initial planning meeting as designated by the Client. Produce a written enrollment plan and enrollment schedule:*

- *Conduct initial planning meeting and define open enrollment date by July 15th of each year.*
- *Make initial contacts with agency staff to schedule benefit information sessions before August 1 of each year.*
- *Complete draft enrollment schedule for inclusion in client review of enrollment book.*

PENALTY 1: FBMC will incur a penalty of Five hundred dollars (\$ 500.00) for failure to meet this Guarantee, as determined by the State of Wisconsin.

FUNCTIONAL TEAM ASSIGNED: Client Services Team (Account Coordinator and Client Liaison)

B.2 PERFORMANCE STANDARD 2: Provide the State of Wisconsin with an Internet and telephone enrollment system.

PERFORMANCE GUARANTEE 2: *FBMC will ensure that the enrollment process occurs in a smooth and timely manner and that the Internet and telephone enrollment application will be accessible 95% of each day during the open enrollment period.*

PENALTY 2: FBMC will incur a penalty of One thousand dollars (\$1,000.00) per occurrence within a twenty-four hour time period for failure to meet this Guarantee.

FUNCTIONAL TEAM ASSIGNED: Enrollment Systems and/or Hardware Systems

B.3 PERFORMANCE STANDARD 3: FBMC will provide the client with plan participation statistics.

B.3.A PERFORMANCE GUARANTEE 3(A): *FBMC will provide the client with enrollment statistics including the number of employees enrolled in Medical Expense accounts, Dependent Care Accounts and the projected annualized contribution totals for these accounts as well and the number of employees who have enrolled in both accounts by January 31st of the new plan year.*

PERFORMANCE PENALTY 3(A): FBMC will incur a penalty of Three Hundred (\$300.00) for failure to meet this guarantee.

FUNCTIONAL TEAM ASSIGNED: Client Services/Account Coordinator

B.3.B PERFORMANCE GUARANTEE 3(B): *FBMC will provide an ERA enrollment statistical report including the following enrollment information, # enrolled by method (internet / telephone), # enrolled by week by method. The report is to be provided within 30 days from the close of the open enrollment period.*

PERFORMANCE PENALTY 3(B): FBMC will incur a penalty of One hundred dollars (\$ 100.00) for failure to meet this guarantee.

FUNCTIONAL TEAMS ASSIGNED: Client Services/Enrollment Systems

B.3.C PERFORMANCE GUARANTEE 3(C): FBMC will provide a quarterly report of the Commuter Benefits enrollment statistics to the State of Wisconsin by the last day of the month following the end of the quarter.

PERFORMANCE PENALTY 3(C): FBMC will incur a penalty of One hundred dollars (\$100.00) for failure to meet this guarantee, once this report is available.

FUNCTIONAL TEAMS ASSIGNED: Client Services

B.4 PERFORMANCE GUARANTEE 4: FBMC will provide the State of Wisconsin with a quarterly report of FBMC's performance for the quarter just ended no later than the last day of the month after the end of the quarter.

PERFORMANCE PENALTY 4: FBMC will incur a penalty of one hundred dollars (\$100.00) for failure to meet this guarantee.

FUNCTIONAL TEAM ASSIGNED: Client Services/Account Coordinator

B.5 PERFORMANCE GUARANTEE 5: FBMC will provide the State of Wisconsin with an Annual Report of Account activity as defined in the RFP and outlined below: This report is due June 30 of each year.

1. ERA Benefit Participation Statistics
2. Estimated Tax Savings Report for the State of Wisconsin and Participants
3. Report of Customer Service Activity
4. Report of Plan Year Performance Standards and Guarantees Results
5. Reimbursement Account Distribution Range (Grand Totals Page Only)
6. Monthly Disposition Report (for the entire year)
7. Annual Reimbursement Expense Purpose Report
8. Year to Date Forfeiture /Actual for Prior year
9. Annual Participant Satisfaction Survey Report

PERFORMANCE PENALTY 5: FBMC will incur a penalty of one hundred dollars (\$100.00) for each day for failure to meet this guarantee.

FUNCTIONAL TEAM ASSIGNED: Client Services

C. CUSTOMER SERVICE

C.1 PERFORMANCE STANDARD 1: Provide prompt, knowledgeable, consistent, and courteous customer service.

C.1.A PERFORMANCE GUARANTEE 1(A): 98% of all telephone inquiries received from the State of Wisconsin employees during the quarter requiring a returned telephone call as requested by the customer will be returned within three (3) business days or less as communicated with the participant.

PENALTY 1(A): FBMC will incur a penalty of Fifty dollars (\$50) per occurrence for failure to meet this guarantee.

FUNCTIONAL TEAM ASSIGNED: Customer Service

C.1.B PERFORMANCE GUARANTEE 1(B): 90% of all e-mails and/or letters received during the quarter from State of Wisconsin employees will be responded to within three (3)

business days or less.

PENALTY 1(B): FBMC will incur a penalty of fifteen (\$15) per occurrence for failure to meet this guarantee.

FUNCTIONAL TEAM ASSIGNED: Customer Service

- C.1.C PERFORMANCE GUARANTEE 1(C): *FBMC will ensure that 80% of all State of Wisconsin calls are answered within 40 seconds or less for the reporting quarter.*

PENALTY 1(C): FBMC will incur a penalty of one thousand dollars (\$1,000.00) for failure to meet this guarantee.

FUNCTIONAL TEAM ASSIGNED: Customer Service

- C.1.D PERFORMANCE GUARANTEE 1(D): *FBMC will ensure that no more than 5% of State of Wisconsin identified employee calls are abandoned before serviced for reporting quarterly.*

PENALTY 1(D): FBMC will incur a penalty of one thousand dollars (\$1,000.00) for failure to meet this guarantee.

FUNCTIONAL TEAM ASSIGNED: Customer Service

C.2 PERFORMANCE STANDARD 2: Provide the client Customer Service Reports

PERFORMANCE GUARANTEE 2: *The following reports will be provided at the frequency described below:*

1. *Customer Service Activity Report - due fifteen days after the end of the quarter.*
2. *Customer Service Appeals Report - due fifteen days after the end of the quarter.*
3. *Customer Service Performance Call Statistics, hold times, abandoned calls – due fifteen days after the end of the quarter.*
4. *Change in Status Report of approved Change in Status requests.*
5. *Customer Service Activity Report for Plan Year – Annual Report*

PENALTY 2: FBMC will incur a penalty of twenty dollars (\$20.00) per day for failure to meet this guarantee.

FUNCTIONAL TEAM ASSIGNED: Customer Service

D. DEDUCTION MANAGEMENT

D.1 PERFORMANCE STANDARD 1: FBMC will reconcile the State of Wisconsin's payrolls according to contract requirements.

- D.1.A PERFORMANCE GUARANTEE 1(A): *FBMC will import, process and post all payrolls within three (3) business days of receipt of all required documents for each payroll.*

PENALTY 1(A): FBMC will incur a penalty of one thousand dollars (\$1,000.00) for failure to meet this guarantee for each payroll.

FUNCTIONAL TEAM ASSIGNED: Deduction Management

- D.1.B PERFORMANCE GUARANTEE 1(B). *FBMC will compile and distribute a discrepancy report to each payroll processing center within 10 business days after each payroll is*

posted. Discrepancies to include medical and dependent care flexible spending account exceptions and no money commuter benefit exceptions.

PENALTY 1(B): FBMC will incur a penalty of two hundred fifty dollars (\$ 250.00) for failure to meet this guarantee for each payroll center.

FUNCTIONAL TEAM ASSIGNED: Deduction Management

D.2 PERFORMANCE STANDARD 2: FBMC will provide the client required reports.

PERFORMANCE GUARANTEE 2: *FBMC will provide the client with the monthly ETF Payroll Report by the twenty-fifth day of the following month.*

PENALTY 2: FBMC will incur a penalty of one hundred dollars (\$100.00) for failure to meet this guarantee.

FUNCTIONAL TEAM ASSIGNED: Deduction Management

E. TAX FAVORED ACCOUNTS (ERA and QTB)

E.1 PERFORMANCE STANDARD 1: FBMC will process for payment all properly submitted tax favored account claims requested by customers.

PERFORMANCE GUARANTEE 1: *FBMC will process all properly submitted claims according to applicable IRS rules and regulations in a time frame mutually agreed to by FBMC and The State of Wisconsin not to exceed five (5) business days.*

PENALTY 1: FBMC will incur a penalty of \$ 10.00 per business day for each claim not processed and paid within the 6th through the 10th business day and \$30.00 per business day for each claim not processed and paid for more than 10 business days.

FUNCTIONAL TEAM ASSIGNED: Tax Favored Accounts

E.2 PERFORMANCE STANDARD 2: FBMC will provide a claims disposition report.

PERFORMANCE GUARANTEE 2: *FMBC will generate a Claims Disposition Report that will define the turn around time frame of all TFA claims processed for the prior month. The report will be generated monthly and due thirty (30) days after each month's end.*

PENALTY 2: FBMC will incur a penalty of one hundred dollars (\$ 100.00) for failure to meet this guarantee.

FUNCTIONAL TEAM ASSIGNED: Tax Favored Accounts

E.3 PERFORMANCE STANDARD 3: FBMC will provide participant ERA statements on a quarterly basis.

PERFORMANCE GUARANTEE 3: *FBMC will produce and distribute account statements to all ERA participants on a quarterly basis to their home address within fifteen calendar days after the end of each quarter.*

PENALTY 3: FBMC will incur a penalty of five hundred dollars (\$ 500.00) for failure to meet this guarantee.

FUNCTIONAL TEAM ASSIGNED: Tax Favored Accounts

E.4. PERFORMANCE STANDARD 4: FBMC will provide the State of Wisconsin with ERA administration data.

PERFORMANCE GUARANTEE 4: *FBMC will provide the following reports to the State of Wisconsin in the Annual Report due June 30 following end of each plan year.*

- *Expense Purpose Report*
- *Account Totals Report*
- *Premature Termination Report Tax Favored Account*
- *Account Termination Distribution Range Report (totals page only)*

PENALTY 4: FBMC will incur a penalty of one hundred dollars (\$ 100.00) for failure to meet this guarantee.

FUNCTIONAL TEAM ASSIGNED: Tax Favored Accounts

F. ENROLLMENT PROCESSING

F.1 PERFORMANCE STANDARD 1: Provide the State of Wisconsin employees with a Confirmation Notice of enrollment or re-enrollment in benefit plans.

F.1.A. PERFORMANCE GUARANTEE 1(A): *Confirmation Notices of enrollment or re-enrollment in the ERA plan will be produced and mailed to employees within ten (10) business days from the benefit posting.*

PENALTY 1(A): FBMC will incur a penalty of \$ 10.00 per participant Confirmation Notice for failure to meet this guarantee.

FUNCTIONAL TEAM ASSIGNED: Benefits Notification

F.1.B PERFORMANCE GUARANTEE 1(B): *Provide the State of Wisconsin with a monthly report of the benefit confirmation notices distributed during the prior month. The report is to be provided to the State of Wisconsin by the fifteenth of the month for the prior month.*

PENALTY 1(B): FBMC will incur a penalty of one hundred dollars (\$ 100.00) for failure to meet this guarantee.

FUNCTIONAL TEAM ASSIGNED: Benefits Notification

F.2 PERFORMANCE STANDARD 2: **FBMC will process special enrollment forms timely, to ensure deductions are taken within next available payroll deduction. FBMC will fax copies of appeal enrollment form(s) to appropriate payroll agency(ies), follow-up with an e-mail confirmation to verify that the fax was received. FBMC will work with the State of Wisconsin to maintain state payroll agency contact database immediately prior to open enrollment period and quarterly during the year.**

PERFORMANCE GUARANTEE 2: *Enrollment Processing will process appeals forms within three days of receipt of enrollment forms, including faxing to the appropriate payroll office with follow-up e-mail confirmation.*

PENALTY 2: FBMC will incur a penalty of \$ 100.00 for each participant enrollment form received and not processed timely.

FUNCTIONAL TEAM ASSIGNED: Enrollment Processing

F.3 PERFORMANCE STANDARD 3: FBMC will provide the client with the required annual enrollment data.

PERFORMANCE GUARANTEE 3: *FBMC will provide the designated State of Wisconsin payroll processing centers with an annual enrollment file at the agreed upon schedule.*

PERFORMANCE PENALTY 3: FBMC will incur a penalty of \$1,000.00 per payroll center for failure to meet this guarantee

FUNCTIONAL TEAM ASSIGNED: Enrollment Processing

G. ACCOUNTING

G.1 PERFORMANCE STANDARD 1: Provide the Client with a report of all account balances, interest, surplus funds, including any reimbursement account forfeitures.

PERFORMANCE GUARANTEE 1: *FBMC will provide such reports annually, within forty-five (45) days following the end of the period for submission of reimbursement account requests. To include the following:*

- *Cover Letter*
- *Account Totals Report (year end)*
- *Stale Dated Check Report*
- *Copy of payments made for prior Plan Years.*
- *Interest Report*

PENALTY 1: FBMC will incur a penalty of two thousand dollars (\$2,000) for failure to meet this guarantee.

FUNCTIONAL TEAM ASSIGNED: Client Accounting

G.2 PERFORMANCE STANDARD 2: FBMC will reconcile employer and employee account records.

PERFORMANCE GUARANTEE 2: *FBMC will provide a quarterly reconciliation of the deposits (payroll deposits) and disbursements (reimbursements) for all Employee Reimbursement Accounts. This report will be sent to the State of Wisconsin by the end of the month following the close of each quarter.*

PENALTY 2: FBMC will incur a penalty of one hundred dollars (\$100.00) for failure to meet this guarantee.

FUNCTIONAL TEAMS ASSIGNED: TFA and Corporate Accounting

G.3 PERFORMANCE STANDARD 3: Disburse all Tax Favored Account (TFA) reimbursement payments as required.

G.3.A PERFORMANCE GUARANTEE 3(A): *FBMC will print and mail all TFA reimbursement checks within one business day of creation and posting of the final check register.*

PENALTY: FBMC will incur a penalty of 2% of the total value of the checks per day, not to exceed 10% for failure to meet this guarantee.

FUNCTIONAL TEAM: Client Accounting

G.3.B PERFORMANCE GUARANTEE 3(B): *FBMC will transmit all TFA direct deposit transactions within one business day of posting of the final check register.*

PENALTY: FBMC will incur a penalty of 2% of the total value of the direct deposits per day, not to exceed 10% for failure to meet this guarantee.

FUNCTIONAL TEAM: Client Accounting

H. DISASTER RECOVERY TEAM

H.1 PERFORMANCE STANDARD: **FBMC will develop and maintain a disaster recovery plan.**

H.1.A. PERFORMANCE GUARANTEE 1(A): *FBMC guarantees to initiate its disaster recovery plan within 36 hours of any event that causes a disruption of the services provided to the State of Wisconsin to enable the critical business functions.*

PENALTY 1(A): FBMC will incur a penalty of ten thousand dollars (\$10,000.00) for failure to meet this guarantee.

FUNCTIONAL TEAM ASSIGNED: Disaster Recovery Team

H.1.B PERFORMANCE GUARANTEE 1(B): *FBMC will provide an annual report of the regular updates and results of simulation testing for the disaster recovery plan. The Report will be provided to The State of Wisconsin no later than January 30th of each year.*

PENALTY 1(B): FBMC will incur a penalty of one hundred (\$100.00) for failure to meet this guarantee.

FUNCTIONAL TEAM ASSIGNED: Disaster Recovery Team

EXHIBIT B – Electronic Payment Card

Should the BOARD elect to adopt FBMC's proprietary electronic payment card, referred to as the ***EZ Reimburse® Mastercard® Card***, the following terms and conditions shall apply to the parties.

SECTION 1. *EZ Reimburse® Card Provisions – Funding and payment of Claims for the Plan Benefits.*

1. The Employer shall:

- (a) make sufficient funds available from its general assets for amounts allocable to eligible reimbursement benefits under its plan by depositing a "Maintenance Deposit" (in amounts specified by FBMC from time to time) in a checking account in Employer's name at a financial institution selected by FBMC to facilitate the timely processing of Claims under the Plan (the "Account"); and
- (b) grant FBMC, and/or its agent for EZ Reimburse® Card transactions, withdrawal authority over the Account sufficient to enable it to pay benefits under the Employer's Health FSA Plan; and
- (c) deposit additional funds in the Account (at the request of FBMC) in order to reestablish the Maintenance Deposit at the end of each Claim processing cycle (or such earlier time specified by FBMC),
- (d) provide a mechanism to deduct any ineligible EZ Reimburse® Card transactions through payroll that have not been repaid to the Account by the participant through check or money order; or if this is prohibited by law, to alternatively agree to write off as bad debt and recharacterized the income as taxable to the participant.
- (e) notify FBMC of employee terminations in a timely manner, and
- (f) assure employee addresses are as clean as possible and permit FBMC to change addresses in its Common Remitter system.
- (g) If, at any time, the amount of reimbursement benefits payable under the applicable Plan provisions exceeds the amount deposited by the Employer in the Account, the Employer shall transfer an amount necessary to the Account to fulfill its reimbursement obligations under the applicable Plan before any further reimbursement benefit payment is made. FBMC is under no obligation to advance funds on behalf of the Employer.

2. FBMC shall:

- (a) provide each Participant with a EZ Reimburse® Card, EZ Reimburse® Card holder agreement, and instructions for using the EZ Reimburse® Card, and
- (b) provide each participant with receipt transmittal forms, reimbursement forms and instructions for filing reimbursement Claims; and provide each Participant with information regarding FSA payroll deposits and claims withdrawals; and
- (c) provide each participant with written monthly reports summarizing the previous period's FSA activities; and
- (d) receive electronic and/or paper Claims, and expeditiously review such Claims to determine what amount, if any is due and payable with respect thereto; and

- (e) disburse the benefit payments it determines to be due (provided the Employer has sufficient funds in the Account) in accordance with the provisions of the Plan and the following procedure(s):
 - (1) valid reimbursement for FSA benefits shall be paid by FBMC in the agreed upon time frame by authorizing a valid EZ Reimburse[®] Card transaction at point of sale, or mailing a check in the appropriate amount(s) directly to the Participants at their home addresses; and
 - (2) card transactions deemed ineligible shall be offset with valid paper transactions; or
 - (3) card transactions deemed ineligible shall be deducted via the payroll system or reported as taxable income.
- (f) notify claimants in writing as to any electronic or paper Claims which are denied or deemed ineligible for reimbursement because of inadequate Claim substantiation, improper Claim form submission, or medical expenses not meeting plan requirements.

SECTION 2. *EZ Reimburse[®] Card Provisions – Additional Responsibility and Covenants of Employer.*

1. Employer agrees to meet and comply with all terms and conditions of Revenue Ruling 2003-43. This would include, without limitation, recovering improper reimbursements from employee recipients through payroll or converting such payments to bad debt and recharacterizing same as taxable income.
2. Employer agrees to pricing related to EZ Reimburse[®] Card services and enrollment conditions associated with fees.
3. Employer agrees to provide health plan(s) co-pay info for every employee in FBMC's requested format PRIOR TO EZ Reimburse[®] Card issuance.
4. If an EZ Reimburse[®] Card Transaction is used for an ineligible expense and the amount of the EZ Reimburse[®] Card Transaction has been debited, Employer agrees to recover the funds from the Participant through an after-tax payroll deduction and send those funds to FBMC for credit to the Participant's Account.
5. Employer agrees to notify FBMC immediately upon suspicion or confirmation of inappropriate or fraudulent EZ Reimburse[®] Card use.

SECTION 3. *EZ Reimburse[®] Card Provisions – General Provisions*

1. Employees participating in one or more health flexible spending accounts shall receive an EZ Reimburse[®] Card in a manner to be determined by the Employer and FBMC prior to open enrollment.
2. FBMC shall automatically deduct the fee for the EZ Reimburse[®] Card directly from each Participant's flexible spending account unless the Employer agrees to pay the fee on behalf of the Participants, in which case the fee will be billed to the employer.
3. FBMC shall be responsible to provide administrative services to Participants, including updating Participant records, maintaining accurate account balances and deposit information, activating and deactivating Participant EZ Reimburse[®] Cards, responding to Participant inquiries and providing appropriate notices of actions taken.

4. FBMC agrees to reasonably insure compliance with proper use of the EZ Reimburse[®] Card and take whatever action is necessary to investigate and resolve errors in EZ Reimburse[®] Card transactions.
5. FBMC agrees, upon notice from Employer of termination of a Participant to, as soon as is practical, deactivate such Participant's EZ Reimburse[®] Card. Should Employer fail to provide this notice in a timely manner causing payment of ineligible expenses, Employer will be responsible for all costs incurred by FBMC for subsequent EZ Reimburse[®] Card transactions made by the terminated Participant.
6. FBMC will issue a monthly statement to all TFA participants with the implementation of EZR card technology.

Addendum – Business Associate Agreement

The attached Agreement, executed by the Parties 4/2004, is reaffirmed by the Parties and is made part of this Contract by and between FBMC and the State of Wisconsin by reference.